



September 19, 2018

Joint Legislative Committee on Local Government
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division
North Carolina General Assembly
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925

Re: Financing of Water and Sanitary Sewer System Improvements by City of Fayetteville, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Fayetteville, North Carolina (the "City") hereby notifies you of its intent to issue revenue bonds (the "Bonds") pursuant to The State and Local Government Revenue Bond Act, Article 5 of Chapter 159 of the General Statute of North Carolina, as amended, to finance the cost of acquiring, constructing and equipping various improvements to its water and sanitary sewer systems, including, without limitation, (a) extension of water and sanitary sewer mains and lines to various annexed areas of the City, (b) extension, rehabilitation and replacement of water and sanitary sewer mains and lines, (c) improvements and upgrades to sanitary sewer collection and treatment facilities and (d) improvements and upgrades to the water distribution and treatment facilities (collectively, the "Project"). The City anticipates that the Bonds to be issued to finance the Project will be in a principal amount not to exceed \$77,000,000. The Bonds will be issued pursuant to the City's existing revenue bond order, as supplemented and amended, and will payable solely from, and secured by a pledge, charge and lien upon, the net revenues of the City's electric, water and sanitary sewer systems, which are operated on behalf of the City by the Fayetteville Public Works Commission (the "PWC").

It is expected that the Bonds will be issued in December 2018 and have a term of approximately 25 years. The Bonds are expected to be sold by the North Carolina Local Government Commission by competitive sale pursuant to a public offering of the Bonds, and the interest rates on the Bonds will be determined based upon the lowest true interest rate bid for the Bonds at the time the Bonds are sold.

The City anticipates that the North Carolina Local Government Commission will consider approval of the sale and issuance of the Bonds at its meeting scheduled for November 6, 2018.

If you have any questions or require any additional information relating to the Project or the proposed Bonds, please contact Rhonda Haskins, Chief Financial Officer for the PWC (910-223-4102), Lisa Buffaloe, Director of Financial Planning for the PWC (910-223-4008), or me.

CITY OF FAYETTEVILLE, NORTH CAROLINA

By:  Jay C. Toland
Acting Chief Financial Officer

cc: Local Government Commission